



KENTUCKY RETIREMENT SYSTEMS

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«Agency»
«Address»
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«City», «State» «Zip»

«Salutation»«Prefix»«Last_Name_2»,

This is a general information letter regarding your 2015 financial statements. As you are aware, the Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions* effective for fiscal year **2015**. Our website (www.kyret.ky.gov) has a dedicated information section regarding the requirements including an electronic mail address (click on the GASB Changes icon) for questions.

In summary, GASB 68 will impact the financial statements of all employers who report to Kentucky Retirement Systems (KRS). Employers will need to recognize and report on their financial statements, a proportionate share of their Plan's **2014** net pension liability. Additionally, the Statement requires new employer financial statement disclosures and supplementary information regarding pension liability assumptions, contributions, and related ratios. Our Actuary, Cavanaugh Macdonald Consulting, LLC, is in the process of calculating the proportionate shares for each employer. The Auditor of Public Accounts (APA), will audit the schedule of employer allocations, which will include employer allocations of net pension liability, deferred inflows, deferred outflows, and pension expense.

Once completed the proportionate share information for each employer, designated by employer identification number, will be posted to the KRS website under the GASB Changes icon. At present, we do not have a specific date, but are working with both the Actuary and the APA to have these available July 1 or earlier.

To assist employers, we will be hosting GASB 68 webinars to review statement implementation, compliance, and disclosure requirements during March and April. In the interim, please provide this letter to those who will be planning and preparing your 2015 financial statements. Please continue to check our website for scheduled webinar dates, AICPA guidance, and other related Statement information.

Sincerely,

William A. Thielen
Executive Director